

Message Text

CONFIDENTIAL

PAGE 01 LA PAZ 01507 162316 Z

62

ACTION SS-14

INFO OCT-01 ARA-11 ADP-00 SSO-00 NSCE-00 USIE-00 INRE-00

CCO-00 CIAE-00 DODE-00 PM-09 H-02 INR-09 L-03 NSAE-00

NSC-10 PA-03 RSC-01 PRS-01 OEP-01 AID-20 GSA-01 INT-08

COME-00 EB-11 TRSE-00 T-03 OMB-01 RSR-01 /110 W

----- 077528

O R 162237 Z MAR 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC IMMEDIATE 9332

INFO USCINCSO

C O N F I D E N T I A L LA PAZ 1507

USCINCSO FOR POLAD

E. O. 11652: GDS

TAGS: EMIN ECON PFOR BL

SUBJ: TIN DISPOSALS

REF: LA PAZ 1468 AND STATE 048668

1. FONMINISTER GUTIERREZ SUMMONED ME TO HIS OFFICE AT 5:00 P. M. THE SUBJECT WAS TIN. THE MINISTER, SPEAKING MORE IN PAIN AND SORROW THAN IN ANGER, TOLD ME THAT NEWS THIS MORNING OF PRESIDENT NIXON'S CONFIRMATION OF THE STRATEGIC STOCKPILE DISPOSAL PROGRAM HAD BEEN RECEIVED ALMOST WITH " DISBELIEF" BY THE GOVERNMENT AND THAT IT HAD CAUSED " CONSTERNATION AND FEAR" IN GOVERNMENT CIRCLES AND AMONG THE GOVERNMENT PEOPLE WHO DEPEND SO HEAVILY ON TIN FOR THEIR WELLBEING. THE MINISTER SAID THAT THE NEWS WAS ESPECIALLY DISAGREEABLE TO BOLIVIA BECAUSE OF THE MANNER IN WHICH IT HAD BEEN MADE, AS A COMPLETE SURPRISE, AND WITHOUT ANY CONSULTATION WHATSOEVER. WHILE HE UNDERSTOOD THE EFFECTS WOULD BE BROADLY FELT AMONG MANY NATIONS, HERE IN BOLIVIA, WHERE THE PRESENT GOVERNMENT HAS TRIED TO BE ESPECIALLY FRIENDLY TO THE US AND THE NIXON ADMINISTRATION, THE IMPRESSION IS OF AN AGGRESSIVE ACT AGAINST BOLIVIA SPECIFICALLY. THE MINISTER SAID HE HAD BEEN HOUNDED ALL DAY BY THE NEWSPAPERS AND THAT THE PRESIDENT

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LA PAZ 01507 162316 Z

HAD CALLED HIM FREQUENTLY FOR ANY NEWS AND REASSURANCE. JUST BEFORE MY VISIT HE HAD RECEIVED A MESSAGE FROM AMBASSADOR VALENCIA REPORTING REASSURANCES FROM THE STATE DEPARTMENT THAT THERE WOULD BE ADVANCE CONSULTATIONS. HE THEN SAID THAT THIS SEEMED A POOR REWARD FOR BOLIVIA WHICH HAD ONLY RECENTLY RESPONDED TO OUR APPEAL FOR SOLIDARITY BY REFUSING TO PARTICIPATE IN THE MEETING IN PANAMA.

2. I TOLD THE MINISTER THAT WHILE THERE HAD BEEN RECURRING PRESSURES FROM TIME TO TIME FOR THE SALE OF STRATEGIC STOCKPILES, INCLUDING TIN, DURING MY TENURE AS AMBASSADOR HERE, THE NEWS APPEARING IN YESTERDAY'S US PAPERS AND THE LATER CONFIRMATION FROM THE PRESIDENT HAD COME AS A SURPRISE TO ME AS WELL. I TOLD HIM, HOWEVER, THAT I HAD BEEN INFORMED THAT I WOULD RECEIVE SPECIFIC INSTRUCTIONS WITH REGARD TO BOLIVIA, WHICH WOULD BE AFFECTED BY THE MEASURES, AND THAT WE WOULD CONSULT WITH BOLIVIA BEFORE TAKING CONCRETE ACTION. I ALSO TOLD HIM THAT US LAW AUTHORIZING STOCKPILE DISPOSAL REQUIRES THAT IT BE DONE IN SUCH A WAY AS TO AVOID UNDUE MARKET DISRUPTIONS. I TOLD HIM THAT I ASSUMED WE WOULD SOON RECEIVE SPECIFIC INSTRUCTIONS AS TO SUCH CONSULTATIONS AND WOULD MAINTAIN CLOSE CONTACT WITH HIM.

3. I ALSO TOLD THE MINISTER THAT WE ALL SHOULD TAKE INTO ACCOUNT THAT PRICES RECENTLY OF MANY COMMODITIES AND INCLUDING TIN HAD BEEN ARTIFICALLY HIGH AND AT LEVELS WHICH DID NOT REFLECT LEGITIMATE DEMAND, SUCH PRICES, I SAID, WHICH WERE LARGELY THE PRODUCT OF SPECULATION WERE BOUND TO COME DOWN IN ANY CASE AND THAT THEY DID NOT SERVE THE INTERESTS EITHER OF PRODUCERS OR CONSUMERS. I SAID I ASSUMED THAT ANY DISPOSAL PROGRAM UNDERTAKEN BY THE US WOULD BE SO CONDUCTED AS TO MINIMIZE HARMFUL EFFECTS BEYOND DRIVING PRICES BELOW THEIR ARTIFICIAL, SPECULATIVE LEVELS.

4. I ALSO TOLD THE MINISTER THAT IT WOULD BE A GREAT MISTAKE FOR BOLIVIA TO INTERPRET THIS PROGRAM AS AN ATTACK ON THEIR INTERESTS. I SAID THE US, AND ESPECIALLY THE NIXON ADMINISTRATION, HAS GIVEN CONSISTENT PROOF OF ITS FRIENDSHIP FOR BOLIVIA AND FOR THE BANZER GOVERNMENT AND THAT I FULLY EXPECTED THAT SUCH PROOF WOULD CONTINUE. I SAID I WAS SURE THAT THIS SYMPATHETIC INTEREST IN BOLIVIA REPRESENTED ATTITUDES NOT ONLY IN THE DEPARTMENT OF STATE BUT IT OUR HIGHEST LEVEL OF GOVERNMENT
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LA PAZ 01507 162316 Z

AND THAT WE WOULD MAINTAIN THIS INTEREST AND C

EEEEEEEE

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts:
Control Number: n/a
Copy: SINGLE
Draft Date: 16 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LAPAZ01507
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730332/aaaahzuw.tel
Line Count: 114
Locator: TEXT ON-LINE
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 LA PAZ 1468, 73 STATE 048668
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags: ANOMALY
Review Date: 15 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15-Jan-2002 by martinjw>; APPROVED <05-Feb-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 971215
Subject: TIN DISPOSALS
TAGS: ECON, EMIN, PFOR, BL
To: SECSTATE WASHDC
SS
USCINCSO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005